

DATE: May 17, 2018

SUBJECT: Procurement Severance
University of Memphis

ACTION RECOMMENDED: Approval

BACKGROUND INFORMATION

Pursuant to Tennessee Code Annotated § 49-8-101(a)(2)(C), the FOCUS Act authorizes the Tennessee Higher Education Commission (THEC) to “solicit and receive requests for state university boards to assume the performance of” data systems, capital project planning and management, and procurement. Furthermore, the law requires THEC to approve or deny the requests for independent management of the designated responsibilities, including procurement. To this end, THEC has developed processes and timelines for assessing institutional capacity in collaboration with the locally governed institutions (LGIs), Tennessee Board of Regents (TBR), and state agencies.

SUMMARY

Beginning in January 2017, THEC began identifying the necessary requirements for independent management of procurement activities. THEC staff provided a memo to all LGI presidents outlining four foundational requirements for procurement severance in April 2017. Three LGIs—Austin Peay State University, East Tennessee State University, and Tennessee Technological University—notified THEC in accordance with this process of their intention to sever on December 1, 2017, the first date of eligibility. The three remaining LGIs—Middle Tennessee State University, Tennessee State University, and the University of Memphis—notified THEC in January 2018 of their intention to sever on July 1, 2018.

The Procurement Severance Process required all documents, actions, and a Letter of Compliance to be submitted to THEC staff for review by April 1, 2018, for consideration. The Letters of Compliance as well as links to the required documents and actions are provided in the action item. The four requirements for severance are outlined below.

Procurement and Contract Policy Development

Each LGI was required to provide links to policies, procedures, and guidelines associated with procurement and contracting on their website (links provided in the attachments). Each LGI indicated that these policies and procedures comply with state and federal law.

Fiscal Review

Pursuant to Tennessee Law, the Fiscal Review Committee is required to review and comment on proposed non-competitive contracts of longer than one year or payable value of more than \$250,000, and amendments to contracts with payable values equal to or exceeding \$250,000. Each LGI was required to provide a checklist outlining all proper documents that must be submitted to Fiscal Review when a contract or respective amendment is under review. Each LGI also provided the name of the institutional representative to Fiscal Review. These documents and contact information are provided in the attachments.

Reporting Requirements

Each LGI was required to exhibit the ability to file the appropriate reports as required by Tennessee Statute or bylaws and policies by providing examples of the following reports: the Governor's Office of Diversity Business Enterprise Diversity Report, the Governor's Office of Diversity Business Enterprise Small, Minority, Women-Owned Business Report, the Governor's Office of Diversity Business Enterprise Goals Report, Fiscal Review Goods and Services Contract Report, and the Senate Finance, Ways and Means Committee Contract Requirements Report. Links to these reports are provided in the attachments.

Master Contract Severance

As members of TBR, each LGI has participated in master, group or statewide contracts. LGIs that are granted severance agree to continue participating in these contracts until the full-term of the contract expires. However, if they wish to exit a master contract when the full-term of the contract expires, each LGI was required to acknowledge and agree to procedures, including providing TBR with at least six months advance notice of intent to exit an expiring contract, before exiting the master contract. Letters of compliance are provided in the attachment.

RECOMMENDATION

Action for Procurement Severance for the University of Memphis

Pursuant to Tennessee Code Annotated § 49-8-101(a)(2)(C), THEC staff recommend that the Commission **approve** the request of the Board of Trustees of **University of Memphis** to assume the performance of the **procurement** function for the university effective July 1, 2018, and declare that the Board of Regents is no longer responsible for the performance of this function for the university as of that date.

Procurement Severance Requirements

University of Memphis

Procurement and Contract Policy Development

Procurement & Contract Services - <http://www.memphis.edu/bf/forms/busserv.php>

Policies of Interest

- Guide to Procurement and Contract Services
(<http://bf.memphis.edu/bfguide/pur.php>)
- Procurement and Contract Service
(<https://umwa.memphis.edu/umpolicies/UM1507.htm>)
- Contracts and Signatory Authority
(<https://umwa.memphis.edu/umpolicies/UM1571.htm>)

Pro Forma Contracts & Templates

Documents of Interest (<http://www.memphis.edu/bf/forms/busserv.php>)

- Standard Request for Proposal (RFP) Format
- ProForma Contract

Fiscal Review Committee

Fiscal Review Requirements (<http://www.memphis.edu/bf/forms/busserv.php>)

Documents of Interest

- Contract Submittal Checklist
- Non-Competitive Contract Form

Fiscal Review Campus Representative:

- Raajkumar “Raaj” S. Kurapati (Primary Contact)
Chief Financial Officer
PN 901-678-2307; email: rskurapati@memphis.edu

Reporting Requirements

Sample Reports

Governor’s Office of Diversity Business Enterprise (GoDBE) Diversity Quarterly Report
(http://bf.memphis.edu/procurement/documents/1st_qtr_fy18_governors_diversity_report.xlsx)

Governor's Office of Diversity Business Enterprise (GoDBE) Annual Goals Report
(http://bf.memphis.edu/procurement/documents/diversity_supplier_goals_assessment_outcomes.docx)

Senate Finance, Ways and Means Committee Contract Annual Reporting Requirements
(http://bf.memphis.edu/procurement/documents/2017_uom_senate_hearing_contracts.xls)

Master Contracts

Provided acknowledgment of, and agreement to, requirements for exiting master contracts



Office of the President

341 Administration Building
Memphis, Tennessee 38152-3370

www.memphis.edu

March 1, 2018

Mr. Mike Krause
Executive Director
Tennessee Higher Education Commission
Parkway Towers, Suite 1900
Nashville, Tennessee 37243-0830

RE: Letter of Compliance for Procurement Severance

Dear Mr. Krause:

Pursuant to the FOCUS Act, please accept this letter and attachment from the University of Memphis which certifies that the policies and procedures for Procurement and Contract Services approved by the University meet all the requirements of state and federal law.

I have also attached our Intent to Sever letter dated March 13, 2017 and our Request to Sever letter dated December 20, 2017.

If you have any questions or require additional information, please feel free to contact my office.

Sincerely,

M. David Rudd
President

University of Memphis

Requirements for severance are enumerated below:

Procurement and Contract Policy Development

Provide links to policies and procedures for procurement and contracting on your website.

[UM1571 - Contracts and Signatory Authority - The University of ..](#)

[UM1507 - Procurement and Contract Services - The University of ..](#)

[UM1816 - Disposal of Surplus Property](#)

[UM1817 - Purchasing Card Policy - The University of Memphis
Purchasing Manual](#)

Provide pro forma contracts and templates for RFPs, RFQs, amendments, monitoring and any other purchasing and contracts forms or templates on your website.

Procurement Forms

Approval to Evaluate Capital Equipment Form
Bid Specifications Written Certification Form (Note: Using Internet Explorer is not recommended for this form.)
Code of Ethics in Procurement and Contracting
Evaluator Conflict of Interest/Confidentiality Form
Example Protest Bond
Justification for Sole Source
Minimum General Bid Conditions
Minority/Ethnicity Form
Moving Specifications Sheet
Office Supply Purchases Other than Staples Comparison Form
Purchase Order Terms and Conditions
Request for RFP Services Form (Note: Using Internet Explorer is not recommended for this form.)
Standard Request for Proposal (RFP) Format
Tigerbuy Vendor Registration
Vendor Performance Evaluation
Vendor Product Accessibility Statement and Documentation

P-Card Forms

Agreement to Accept the Visa Purchasing Card
Purchasing Cardholder Change Form
Purchasing Cardholder Enrollment Form
(Regions) Purchasing Card Transaction Dispute Form

Contract Forms

Agreement for Personal, Professional, & Consultant Services
(U of M) Amendment
Attestation re: Personnel Used in Contract Performance
Banking Agreement
Certificate of Self Insurance
Clinical Affiliation Agreement
Contract/Agreement Routing Form (Note: Using Internet Explorer is not recommended for this form.)
Contract Monitoring Plan Form
Dual Services Memorandum of Agreement
Non-Credit Instruction Agreement Above \$50k
Non-Credit Instruction Agreement up to \$50k
Performance Agreement
ProForma Contract
(U of M) Revenue Agreement
Software License Agreement
[Transient Use Agreement](#)

An indication from your governing board that these documents meet at minimum the requirements of state and federal law.

The President of the University of Memphis has authority over procurement policies and has provided the cover letter with the applicable information.

Fiscal Review Committee

Provide checklist outlining all proper documents that must be submitted to Fiscal Review when a contract or amendment is under review.

[Fiscal Review Checklist](#)

Provide all Fiscal Review forms required to address non-competitive contracts and amendments on your website.

Fiscal Review Forms

Contract Submittal Checklist
Contract Summary Sheet
Non-Competitive Amendment
Non-Competitive Contract Form
Supplemental Department Information with Instructions

Provide the contact information for the campus liaison who will represent your institution in front of Fiscal Review.

Raajkumar "Raaj" S. Kurapati (Primary)
Chief Financial Officer

901-678-2121

Stuart B. Thomas
Director of Procurement and Contract Services
sbthomas@memphis.edu
901-678-3855

Dr. Edwina Thomas Washington
Assistant Vice President for Business
etwshngt@memphis.edu
901-678-2307

Reporting Requirements

Provide the contact information for the campus liaison(s) responsible for meeting reporting requirements

Stuart B. Thomas
Director of Procurement and Contract Services
sbthomas@memphis.edu
901-678-3855

Provide examples of the most recent versions of the reports outlined in the Procurement Severance memo.

Governor's Office of Diversity Business Enterprise (GoDBE) Diversity Report (quarterly)
Senate Finance, Ways and Means Committee Contract Reporting Requirements (annual)
University Diversity Business Plan
Governor's Office of Diversity Business Enterprise (GoDBE) Goals Report (annual)
Governor's Office of Diversity Business Enterprise (GoDBE) Small, Minority, Women-Owned Report (annual)
Fiscal Review Goods and Services Contract Report (quarterly)
Governor's Office of Diversity Business Enterprise (GoDBE) Upcoming Procurement Opportunities (annual)

Master Contract Severance

Agree, in writing, to work with TBR and THEC on a case-by-case basis to identify the terms under which your institution may exit a master contract before the full-term is completed.

The University of Memphis intends to continue with the master contracts. If the University decides to exit a master contract, the decision will be based on a vendor's failure to perform, product not meeting the needs of the University, or a new contract being more financially beneficial to the University.

Include in that acknowledgement that your institution will notify the Assistant Vice Chancellor for Purchasing and Contracts at TBR which master contracts your institutions intends to leave at the end of the full contract term at least six months in advance of the contract expiring.

If the University of Memphis intends to leave at the end of the full master contract term, the University will notify the Assistant Vice Chancellor for Purchasing and Contracts at TBR at least six (6) months in advance of the contract expiring.



Office of the President

341 Administration Building
Memphis, Tennessee 38152-3370

Office: 901.678.2234
Fax: 901.678.5065

www.memphis.edu

March 13, 2017

Mr. Mike Krause
Executive Director
Tennessee Higher Education Commission
Parkway Towers, Suite 1900
Nashville, Tennessee 37243-0830

Re: Capital Severance Preparation

Dear Mike:

In accordance with your memorandum of December 13, 2016, The University of Memphis has reviewed the requirements and timing for assuming the duties of capital project management as well as procurement from the Tennessee Board of Regents. Given our workload of current projects, planned project timelines, and requirements for staffing and systems, we intend to accomplish this effective July 1, 2018. I have attached a brief overview of our capital project management intent for your information.

Should you have any questions please advise.

Sincerely,

M. David Rudd
President

c: Dr. Flora Tydings, Chancellor
Tennessee Board of Regents



Office of the President

341 Administration Building
Memphis, Tennessee 38152-3370

www.memphis.edu

December 20, 2017

Mr. Mike Krause
Executive Director
Tennessee Higher Education Commission
Parkway Towers, Suite 1900
Nashville, Tennessee 37243-0830

RE: Procurement Severance

Dear Mike,

In accordance with your September 11, 2017 letter regarding the Procurement Severance Process, the University of Memphis requests to sever from the Tennessee Board of Regents for purposes of procurement and assume management of procurement beginning July 1, 2018. The University of Memphis is aware of the requirements for procurement severance as outlined in the September 11, 2017 memorandum and the University of Memphis will meet each requirement. The University of Memphis' Board of Trustees met December 7, 2017 and approved severance of procurement from the Tennessee Board of Regents.

Intent to Sever

The FOCUS ACT (amending TCA §49-8-101) authorizes THEC to solicit and receive requests from state university boards to assume the performance of procurement. The signature of the President below, with proper Board authorization, indicates that the University of Memphis understands the reporting, compliance, and existing contract requirements associated with procurement severance and intends to sever on July 1, 2018 for the purposes of procurement. The board of the University of Memphis understands and agrees that it shall not be permitted to assume the performance of the procurement functions until such time as severance is granted.

Name: M. David Rudd

Title: President

Institution: University of Memphis

Signature: 

December 20, 2017

Mr. Mike Krause
Executive Director
Tennessee Higher Education Commission
Parkway Towers, Suite 1900
Nashville, Tennessee 37243-0830

RE: Procurement Severance

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Name: M. David Rudd

Title: President

Institution: University of Memphis

Signature: 